EXTRACTIVE INDUSTRIES
AND THE US-PANAMA
FREE TRADE AGREEMENT

Report and Campaign Proposal
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The US-Panama free trade agreement contains many variable paths to the overall destruction of the Panamanian laborers’ and indigenous populations’ rights as well as the demise of the natural environment and biodiversity of the nation. There are mistakes that have been made in previous FTA’s that can be avoided with some campaigning and public outreach on our behalf for Panama. Extractive industries in Panama are already causing irreversible damage to local ecosystems and indigenous communities. With the power that the proposed FTA gives to corporations, this is likely a harsh sign of what is to come. Panama is attractive to foreign corporations because of its easily twistable tax laws, and 3500 foreign subsidiaries are in Panama today.

Logging companies are a leading cause of deforestation in Panama, which had the 9th worst rate of deforestation of primary forests from 2000-2005 (75,000 hectares are lost every year). Deforestation does enormous damage to local ecosystems, biodiversity, and indigenous people who live sustainably on such land, not to mention the catastrophic effects it has on climate change. The presence of logging companies will worsen if the FTA is signed; the Caterpillar logging company has already expressed their support for the Panama FTA in a press release. From the time FTA’s were implemented, Caterpillar logging exports have quadrupled to Canada and Mexico, tripled to Chile, and doubled to countries involved in the Central American FTA. Many companies like Caterpillar will gain more access to Panama, especially canal construction efforts, with removed tariffs in the FTA.

Mining in Panama results in huge losses and injustice to indigenous people. Cultural loss, eviction, and environmental damages are the main concerns. The government of Panama is offering huge land grants to mining companies already, and damage will be irreversible if the US-Panama FTA is approved. Most of the land granted to mining companies has been in the hands of local indigenous groups throughout their existence. Many mining sites are in forests—70% of the 20,0000 km of land for mining use is in indigenous land. Canadian companies are already taking advantage of this—the Panamanian gov’t approved huge copper and gold concessions within Ngobe-Bugle and Kuna territory, and Canadian Western Keltic Mines own 50% of Kuna territory. Soon more than ½ national territory will be subject to grants for mining applications.

The disregard for indigenous rights in previous FTA’s violate the world’s duty to protect and respect culture and land that has served as the core identity of people for centuries. National legislation in Panama compensates land inhabitants for damages, but not the ecosystem. There is no regard for widespread public damage to the food web. Nonrenewable resources belong to the state, but renewable resources, including wildlife and forests, belong to paying owners of the land. Indigenous communities are usually put aside in these talks and cannot afford to start paying the government for land that is rightfully theirs.

The National Economic Council approved search for the exploration of petroleum products in Panama on 7/08. Panama’s total energy consumption has increased 39% since 1980, and such exploration efforts are sure to bring increased harm to the environment. President Martinelli has claimed that oil exists in the environmentally sensitive Darien rainforest area. Gina Benedetti, Colombia’s ambassador to Panama, has also insisted on her nation’s intent to build a gas pipe to send to Panama for the trade of gas all around Central America. The construction of such a pipe raises the issues of eviction for locals and clearing of the environment as well. Exploration of petroleum highly increases the incentive for foreign companies to barge into Panama and do all they can to obtain oil.

Labor rights are also being compromised currently as the President has introduced new legislature mainly aimed at increasing support for the FTA in America. Law 30 and Law 14 make it possible for companies to fire workers on strike without pay and limit freedom of association. Street protests have been banned and previous laws for agribusiness developers to take environmental impact into account has been nullified. Recently, many protests and violent clashes have arisen in the Bocas Del Toro province and the area of the Panama Canal. Injustices like these are sure to increase if the USA signs the FTA.

The FTA has the potential to destroy the local livestock industry in Panama. The sudden influx of cheap, factory farm pork into Panama will harm local farmers. The USA National Pork Producers Council supports the FTA; they would enjoy $20.6 million increase in revenue because of the FTA due to removed tariff rate quotas and nullified sanitary barriers and conditions. The US meat industry will have unlimited access to Panamanian markets and force local farmers into bankruptcy.

So, why support Panama? The US-Panama FTA will be in line for voting in the near future. The recent TRADE agreement for new free trade guidelines can also be used as a campaigning point—the US-Panama FTA does not stand up to many of the same guidelines. The issues presented above are highly relevant. New York City contains the largest urban population of Panamanians, making it possible for our organizations to contact different groups and form ties leading to Panama. We have relevant resources like NYC legislator and Panamanian contacts, office space, and postcard lists of NYC voter information to work with.

This campaign will build a support base in Panama and the local area, strengthen relationships with concerned officials, Panamanian groups, and news/media, and appeal to funders funding unique work. Panama is an often-overlooked country which many organizations are not working to help. By asking NY congressional congregation members to pledge to vote against the FTA and show support in a variety of ways, awareness can be spread. Various forms of publication and advertisement detailed in the campaign proposal can also be of use. We have to act now—time is running out to help indigenous and labor activist groups in Panama stop the FTA and save their rich environment.
CURRENT ISSUES (FRENADESCO NEWS)
-environmental destruction
-exploitation of natural resources
-creation of mines, hydroelectric projects, dams, cellular antennae
-disregard for the needs and basic rights of native inhabitants
- evictions
- required water, basic services, social assistance

FTA AND THE ENVIRONMENT (GJAE PANAMA FLYER)
-shrimp industry is detrimental to rich mangrove forests
-restrictive environmental laws protect only a few species (ineffective in saving the complex web of ecosystems)
-increased corporation power: Corp.’s can sue gov’ts for lost profits
-factory farmed U.S. meat can destroy local industry and lead to health issues
-dolphin exports allowed under FTA

FIGHTING/CONFLICTS IN PANAMA
-police and workers’ groups are frequently clashing
-protest against President Martinelli’s legislations which severely restrict labor rights

SIGNIFICANT LAWS
-Law 30: (seen as an attempt to sweeten FTA prospects)
-companies may fire workers on strike/replace them without pay
-businesses are no longer “closed” at time of strike (removes defense of workers against corporations)
-limits right to strike, union membership, and freedom of association
-street protests against industrial activities banned (threat of 2 years in prison)
-reverses previous law requiring agribusiness developers to mind environmental impact
-removes federal mandate for employees
-nullifies 13 year old law for imprisonment for police brutality
-anyone opposing public bids must lay down 15% of the bid before legal challenges

-Law 14: introduces new criminal offenses dealing with roadblocks for protests

**Separate law passed eliminates need for environmental impact studies on areas for project developments
-National Front for the Defense of Economic and Social Rights (Frenadeso) and Banana Industry Workers’ Union fighting new laws

RECENT NEWS:
-7/02-7/13: Banana U. fights with police in Bocas Del Toro (site of Bocas Fruit Company, borders Costa Rica)
-Conflict arose as police worked to unblock a bridge used for protest, BFC withheld wages used to pay for union fees from workers
- banks, police stations burned (economic losses: $20 million)
- stones, birdshot bullets, tear gas used
-over 4000 participants, 2-4 killed, dozens wounded (102 treated for injuries, 115 arrested, over 70 fired)
-Banana plantation workers held 3/4 police members hostage protesting Law 30
-Resolution (temporary?): Gov’t agrees to suspend Law 30

-Early July-7/13: Workers on strike expanding Panama Canal are fired, 6 arrested for not coming to work
-Workers’ Demands: facilities to cook food, wash clothes, and for managers to not interfere with their union (SUNTRACS)
-protest ended after managers’ concessions for working conditions

-(Incidents above may lessen support for the FTA as was the case with Colombia, because of the horrible records for workers’ welfare)

THE INFLUENCE OF CORPORATIONS IN PANAMA
History:
-US gov’t has long subverted Panama’s labor unions, despite the strong presence of its internal unions
-US based corporations wield unreasonable power over entire populations, and the military often suppresses self-determination, saying that they are supporting ‘democracy’

-President Roosevelt militarized regimes within a 10 mile radius of the Panama canal in hopes of maintaining a greater amount of control over the area

-After this, positive growth ensued with President Clinton helping transition the nation to a democracy lead by Panamanians

The Livestock Industry and Panama

- livestock farmers receive millions in subsidies from US gov’t ($168,328,882 in 2009)
- sudden influx of cheap, factory farm pork into Panama will harm local farmers
- USA National Pork Producers Council supports the FTA
- NPPC profits would be $0.20 higher per hog, approx $20.6 million increase in revenue
- currently quotas, causing competition with EU and Canada, limit exports
- according to FTA, tariff rate quotas will be phased out over 15 years, causing US pork to have unlimited access to Panamanian markets
- many sanitary barriers/conditions of Panama will be put aside


President Martinelli and the FTA

Brief Bio:
- US educated (University of Arkansas)
- supermarket mogul: chairman of Super 99 chain, group owns Importadora Ricamar and Gold Mills de Panama
- traditionally ultra-conservative, but campaigned to bring about Law 30

Election and Campaigning:
- elected in June 2009 for stress on reducing crime rates
- changes in labor/environmental law (see above) seem to be aimed at garnering interest in the USA for the proposed FTA
- blames press for misinformation regarding July protests
Indigenous Communities

-Kuna, Emberá, Choco, Bribri, Bugle, Ngobe, Naso, Teribe & Wounaan
-6.7% of national population

Kuna Indians
-oldest group
-simple economy based on agriculture, industry, and ecotourism
-live near San Blas/Kuna Yala islands
-grow plantain, bananas, and avocados, corn, tuber plant
-run biosphere reserve called PEMASKY

Naso/Teribe People
-small tribe with 3,500 members without an autonomous region
-live in Northwest Panama with ideal land and water (waterfalls in dense mountain region)
-2001: Naso land sold to a land speculator, who sold it to Mr. Guardia, owner of Livestock Boca and several other companies
-2005: eviction notice sent to all residents.
-6/03/10: submitted 175 page petition to American Commission on Human Rights
-Claims: extreme discrimination
 -negative effects of hydroelectric power in their area
 -fears of likely cultural genocide as foreign, money-hungry investors come in
-conflict with company Livestock Boca, which has claimed their land

News: (Bocas Del Toro province, again)
4/24: Naso protest camps were ongoing. Dozens of homes were buried by machinery and international human rights/environmental activist groups visited the Naso people in the capital of Panama
5/11: Naso members threatened with firearms by Livestock Bocas company, machinery continued destruction. The road leading to the tribes was blocked and their footbridges and riverside trees were destroyed.
5/15: Naso members chained themselves to trees to demand right to leave with nature peacefully. They protested evictions by the Livestock Bocas company and hydroelectric projects.

The UN on Indigenous Rights:

“Without secure and enforceable rights to lands, territories and resources indigenous peoples’ means of subsistence and cultural integrity are permanently threatened. Their lands and territories are their resource base and ‘food basket’. Land and territory are also the source of… medicines, construction materials and household and other tools and implements. Loss or degradation of land and resources results in deprivation of the basics required to sustain life and to maintain an adequate standard of living…failure to guarantee indigenous peoples’ property rights substantially undermines their socio-cultural integrity and economic security: “Indigenous societies in a number of countries are in a state of rapid deterioration and change due in large part to the denial of the rights of the indigenous peoples to lands, territories and resources…”

…International law requires that indigenous peoples’ ownership and other rights to their lands, territories and resources be legally recognized…and protected. This includes titling and demarcation and measures to ensure the integrity and sustainability of those lands and territories. A right to restitution or restoration of indigenous lands and territories taken or used without indigenous peoples’ free, prior and informed consent also exists. These rights are protected in connection with a variety of other rights, including the general prohibition of racial discrimination, the right to equal protection of the law, the right to property, the right to cultural integrity and as part and parcel of the right to self determination.

The Role of Laws:
-national legislation compensates land inhabitants, but not the ecosystem.
(There is no regard for widespread public damage to the food web)
-nonrenewable resources belong to the state, renewable resources belong to owners
-gov’t interest in mining is increasing—soon more than ½ national territory will be subject to grants for mining applications
Negative Potential Consequences of NAFTA

- NAFTA
- unequal GDP growth: Canada: 3.6%, USA: 3.3%, Mexico 2.7%
- Mexico’s 2.7% is not enough to sustain its economy over the long term
- wages of Mexican workers decreased 18% in the first five years
- many farmers had to sell/leave land because of US corn influx (corn was previously farmed in a sustainable manner)

Damage to the USA:
- 766,030 jobs lost after first 7 years
- 408,000 workers got unemployment benefits after jobs were moved to Mexico

Current US-Panama Relations

- 1.8 out of 2.1 billion dollars of trade are US exports

Colon Free Trade Zone in Panama
- large port city full of workers for corporations
- many ships stop here to load/unload
- huge, obvious income inequality seen here (54.7, one of region/world’s worst)

Extractive Industries

- Panama is attractive to foreign corporations because of its easily twistable tax laws
- 3500 foreign subsidiaries are in Panama

Logging

Logging companies in Panama are a leading cause of deforestation. Their presence will worsen if the FTA is signed; the Caterpillar logging company has already expressed their support for the Panama FTA in a press release.

Caterpillar Logging Company

- press release stated support of US-Panama FTA

- fine print near the end: “…Note that actual results of the company may differ…from those described or implied in such forward-looking statements based on a number of factors and uncertainties, including, but not limited to, (i) adverse change in general economic conditions; (ii) adverse change in the industries Caterpillar serves including construction, infrastructure, mining, energy, marine and electric power generation; (iii) Caterpillar’s ability to manage material, including steel, and freight costs; (iv) Caterpillar’s ability to generate cash from operations, secure external funding for its operations and manage its liquidity needs; (v) material adverse change in customers’ access to liquidity and capital; (vi) currency exchange or interest rates changes; (vii) political stability; (viii) market acceptance of the company’s products and services; (ix) significant changes in the competitive environment; (x) epidemic diseases; (xi) severe change in weather conditions negatively impacting operations; (xii) changes in law, regulations and tax rates…”

- from the time FTA’s were implemented, Caterpillar exports have:
  - quadrupled to Canada and Mexico
  - tripled to Chile
  - doubled to countries involved in the Central American FTA
- the company will gain more access to Panama, especially canal construction efforts, with removed tariffs in the FTA

General and Current Deforestation

- diverse Darien forest region is most affected
- main problems: ‘cash crops’ (bananas/coffee), logging, cattle ranching -75,000 hectares lost each year
- illegal logging has increased in Panama since 1900s and contributes to the issue
- 9th worst rate of deforestation of primary forests from 2000-2005 (1% annually)
- threatens Panama canal, which relies on tropical cloud cover to maintain watershed and ensure enough water to open locks
- forest reduction= soil erosion which clogs locks

Biodiversity: Panama is home to more than 9,915 known species of plants, 218 species of mammals, 302 species of birds, 242 species of reptiles and 182 species of amphibians.
Mining

Mining in Panama results in huge losses and injustice to indigenous people. Cultural loss, eviction, and environmental damages are the main concerns. The government of Panama is offering huge land grants to mining companies already, and damage will be irreversible if the US-Panama FTA is approved.

- disastrous results can be seen in other countries like Costa Rica and Nicaragua
- 1994: 25% country area covered by mining involvement and ½ national territory open to mining
- Many mining sites are in forests—70% concessions granted are in indigenous lands (Bocas del Toro, Veraquas, Chiriqui)
- Out of the 20,000 km for mining use, 70% is claimed by indigenous groups
- Canadian companies are already taking advantage of this—the Panamanian gov’t approved huge copper and gold concessions within Ngobe-Bugle and Kuna territory
- (Canadian companies: PANACOBRE of Tio Mine Resources, Adrian Resource, Innet Mining Corporation)
- Canadian Western Keltic Mines own 50% of Kuna territory

World Rainforest Movement on Panamanian cases of the destructive effects of industrial mining on rainforests: “…the Project of Cerro Petaquilla in the Province of Colón will imply the loss of at least 2,500 hectares of forests (for) the infrastructure for the mine itself and… roads that will allow access to the area. ….the project will affect the neighbouring El Copé National Park and the Donoso Forest Reserve. This Province showed the second highest deforestation rate between 1986 and 1992, representing 22.35% of the total forest loss. Another (conflict)…generated by copper exploitation by the Canadian company Panacobre S.A. with the Ngobe-Bugle people at the Province of Chiriqui, (the largest indigenous group in the country). Although the General Congress of the Ngobe-Bugle has rejected the project, the government has granted the company a concession for 25 years, that can be even extended. The Kuna indigenous peoples --the second largest native nation of Panama-- are also facing the aggression of mining projects in their traditional territories.”

- Florina Mio, activist on indigenous rights issues: “Mining concessions without the consent of indigenous peoples are illegitimate, because they violate the national interest of ensuring the collective rights of the land and respect for our identity established by the constitution.”

Oil and Natural Gas Extraction

- National Economic Council approved search for the exploration of petroleum products in Panama on 7/08
- total energy consumption has increased 39% since 1980
- Colombian gas pipe to Panama in planning
**PANAMA FTA CAMPAIGN PROPOSAL**

Current Issues
(also see summary, p.1)

Indigenous rights and Extractive Industries:


Authored by the Alianza para la Conservación y el Desarrollo (ACD Panama), the 29-page report details Panama's numerous violations of the ICERD, including their failure to recognize Indigenous territorial rights, their violation of the Naso and Ngobe's Civil and Cultural Rights and their refusal to protect the Indigenous peoples from violence.”

Full report: http://www2.ohchr.org/english/bodies/cerd/docs/ngos/ACD_Panama_76.pdf

- Ngobe villages by Changuinola River face village destruction and loss of food/water for Chan 75 dam
- 2 demolitions of indigenous villages have occurred in 2009 following the people’s refusal to leave their ancestral lands

- **Goals**

Long Term Objectives:

- **Improve state of indigenous rights**
  - stop cultural loss/eviction from extractive mining/hydroelectric work
    - Stop the Chan-75 Hydro dam
  - have the Panamanian gov’t stop giving land grants to mining companies in indigenous lands (including concessions to Canadian copper companies)
    - Western Keltic Lands company and Kuna Land
  - have companies properly compensate those already evicted/affected
  - help indigenous people join hands with other activists in their area/contact with NYC Panamanian populations (?)

- **Stop/reduce/relocate petroleum exploration**
  - protect Darien rainforest area
  - have the Panama-Colombia gas pipe go through non-indigenous and non-environmentally sensitive land, or not be constructed at all

- Alleviate deforestation due to logging companies
Organizational Considerations:

Resources:
- websites (Wetlands Activism Collective and allies)
- relationships with organization based in Washington, D.C
- NYC legislator contacts
- free photocopying machine for flyers/letters/other promotional media
- use of WAC office space+ allies’
- internship programs to recruit more volunteers for the cause
- media distribution lists
- contacts in Panama
- postcard lists of NYC voter information

Benefits of Campaigning:
- build support base in Panama and local area
- strengthen relationships with concerned officials and Panamanians
- gain experience working from an organized campaign model
- gain experience working with a focused fundraising effort
- develop a stronger relationship with news/media (including Spanish language news)
- appeal to funders funding unique work
- stand out from other organizations with a mission concerning an overlooked country

Challenges:
- limited volunteer base/infrastructure to reach out to and follow up with NYC voters
- limited Panamanian contacts
- internal organizational tensions
- lack of local allies
- limited published resources on subject matter (extractive industries in Panama)
- language barriers (Spanish/English)
- lack of funding

Constituents/Allies/Opponents:

Allies:
- San San Druy villagers evicted into Cathedral Square, Panama City last November
- Alianza para la Conservación y el Desarrollo
- wrote shadow report to UN on indigenous rights violations
- Almanaque Azul
  - http://www.almanaqueazul.org/comunicado-naso/
- Resistencia Naso Organization
  - http://resistenci naso.wordpress.com/
- World Rainforest Movement
- Sierra Club
  - http://www.sierraclub.org/trade/
- UNICEF
- First Voices Indigenous Radio
  - http://www.firstvoicesindigenousradio.org/
- Root Force
  - http://www.rootforce.org/
- Amazon Watch (Atossa Soltani, Founder and Executive Director)
  - http://www.amazonwatch.org/
- Forest Ethics (Michelle Medeiros, Managing Director)
  - http://www.forestethics.org/
- The Panama News
  - http://www.thepanamanews.com/

In/Around Panama:
- Silvestre Diaz FRENADeSOS
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- William Hughes, Professor (FRENADeSOS)
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  - whughes@toronto.ca
- Carmencita Tedman Macintyre, Boquete activist with indigenous friends
  - macintyre@cwp Panama.net
  - tel.: 00507 7201810
- Hinrich Schultz, photographer
  - http://www.dokumentarfoto.de

Local:
- Panamanians in Brooklyn:
- Annual Panamanian Parade on Franklin Avenue (May be on 10/09/10)
- Panamanians in NJ/NY:
- Panamanians marching in West Indian Parade: 9/06/10
- Listing of Panamanian Events:
  - http://www.thepanamanews.com/pn/v_16/issue_04/Wappin.html

Opponents:
- foreign corporations currently in Panama/looking to expand
  - Caterpillar Logging Caterpillar, Dell, General Mills, Johnson & Johnson, Kraft Foods, Merck, PepsiCo, and Proctor & Gamble.
- US Pork Producers Council
- Panamanian:
  - Bocas Fruit Company
- Canadian:
  - Panacobre S.A of Tio Mine Resources
  - Western Keltic Mines (own 50% Kuna territory)
- Adrian Resource
- Innet Mining Corporation
Targets
-13 members of NY Congressional Congregation

Tactics

Congressional:
-ask for pledges for votes against the FTA
-sign letters sent to other colleagues

Other:
-spread awareness within NY Panamanian community
-form connections between Panamanian New Yorkers/interested organizations and indigenous people
-spread flyers and letters
-advertise cause on allied websites
-form a Facebook group
-contact NYC voters for fundraising/pledges to vote against opponents
-become involved in upcoming Panamanian parade and West Indian parade
-make information on the subject more accessible
-garner media interest

Works Cited


<http://www.nationsencyclopedia.com/economies/Americas/Panama.html>.


<http://www.wrm.org.uy/bulletin/46/Panama.html>.


